

SME WEEKLY NEWS

(17 July 2017 – 22 July 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Terengganu has identified 50 SMEs to be listed on DFTZ</p>	<p>SME Corp. Terengganu, in partnership with the state government through Terengganu Entrepreneur Development Foundation (YPU), has identified 50 SMEs to be listed in the Digital Free Trade Zone (DFTZ). Chairman of YPU, Roslee Daud said the state government was confident that the DFTZ would be an important catalyst to spur achievements, particularly among SMEs, in an effort to enter the international market. Roslee said the criteria to be listed on Alibaba.com e-commerce platform would be three stars and above, according to SME Corp. Malaysia's Competitive Rating for Enhancement (SCORE). "Through SCORE, the company's capabilities will be measured based on several parameters such as management and operational capabilities, technology, certification initiative, technical capabilities, finance and marketing. These criteria are important to ensure their sustainability so that they are ready to market their products online. This also demonstrates their competitiveness, hence able to introduce Terengganu SME products abroad to create a supply chain among suppliers, sellers and buyers," he said.</p> <p style="text-align: right;"><i>(Source: Malay Mail Online, 19 July 2017)</i></p>
<p>MALAYSIA</p> <p>SMEs reap big returns from HIP 2</p>	<p>Twenty-one SMEs under the government's High Impact Programme 2 (HIP2) have raked in nearly 200% returns on investment in just four years. CEO of PlaTCOM Ventures Sdn Bhd, Viraj Perera said the companies have generated over RM21 million in sales and contract revenue with just RM6.7 million from the government. Viraj said they will continue to monitor the companies' sales and revenues for the next five years to see the impact of PlaTCOM's intervention and how it contributes to the gross national income. PlaTCOM have signed up 114 companies under HIP2 programme over the past four years and are targeting 300 SMEs to be assisted through the programme with at least 150 businesses commercialised by 2020. Among the assistance provided by PlaTCOM are end-to-end Intellectual Property (IP) and legal solutions, training and courses, consultancy on halal regulatory & certification, and other support services.</p> <p style="text-align: right;"><i>(Source: Malay Mail Online, 21 July 2017)</i></p>
<p>SINGAPORE</p> <p>Singapore govt to help more SMEs go digital with new tech hub</p>	<p>The Infocomm Media Development Authority (IMDA) will launch an SME Digital Tech Hub in the third quarter of 2017. SMEs will be able to view advanced tech solutions in this hub and approach tech consultants to learn about building tailored solutions. The hub, which will be operated by the Association of Small & Medium Enterprises (ASME), is a complement to the existing SMEs Go Digital programme. To date, over 100 SMEs have adopted 24 pre-approved solutions (out of 56 total pre-approved solutions). These project have generated over S\$2.4 million (US\$1.76 million) in revenue for the Infocomm Media (ICM) suppliers. All pre-approved solutions are also only valid for one year, after which they would have to go through a re-evaluation process. This process allows participating SMEs to be assured that their tech solutions will meet the latest compliance standards. On a larger scale, IMDA will be working with industry players to develop Industry Digital Plans (IDP) to ensure SMEs get the right technology at each stage of their growth and allow them to progressively acquire more advanced technologies.</p> <p style="text-align: right;"><i>(Source: e27.co, 21 July 2017)</i></p>

<p>SINGAPORE</p> <p>Boosting growth with effective cash flow management</p>	<p>Poor cash flow management continues to be a problem especially among SMEs in Singapore. The slow economic growth of past years, increased delayed payments by customers and currency volatility have added to their woes, and are affecting the management of cash flow. According to the 2016 American Express CFO Future-Proofing Survey, tightening cash flow was identified as the biggest business challenge and risk for SMEs, together with the rising costs of doing business. Meanwhile, according to the 3rd Productivity Scorecard and Benchmarking Survey Report by the Institute of Singapore Chartered Accountants and SAP, Singapore companies take on average 9.2 more days to collect revenue compared to their global peers. In addition, they have significant higher receivables overdue as a percentage of revenue at 21.4% compared to their global peer group at 11.5%.</p> <p><i>(Source: Business Times, 21 July 2017)</i></p>
<p>THAILAND</p> <p>Rural SMEs hit hard by sundry woes</p>	<p>The health of rural SMEs is in critical condition as these companies lack the business innovation needed to enhance performance, while tepid consumer demand restricting growth, says former Finance Minister, Thanong Bidaya. Rural SMEs have been coping with lower sales volume despite production costs remaining the same. Rural SMEs need to incorporate business innovation, technological production and marketing strategies in order to raise growth prospects, he said, citing how financial technology startups, better known as fintech, have exploited technology to ramp up business performance. Previously, Assistant Governor of the Bank of Thailand said soured SME loans showed no signs of declining as a lack of competitive edge and uneven economic recovery hindered businesses debt-servicing ability. SMEs are evidently feeling the pinch from the slow economic recovery process, with bad SME loans climbed to 4.48% in the first quarter of 2017 (4Q'16: 4.35%).</p> <p><i>(Source: Bangkok Post, 18 July 2017)</i></p>
<p>THAILAND</p> <p>Cisco and iNet join forces to provide IT solutions for SMEs</p>	<p>CISCO has joined hands with Internet (Thailand) to provide information technology solutions designed for SMEs, with iNet projecting about 100 million baht in revenue from SMEs next year. "We provide IT solutions that come with an affordable price so that SMEs can use them to support their business by increasing their efficiency and potential," said Vatsun Thirapatarapong, Cisco's managing director for Thailand and Indochina. Under its "Start" campaign aimed at SMEs, Cisco provides cloud-based solutions, web conference solutions, cybersecurity firewalls and switched networks designed for entry-level use. Deputy Managing Director of iNet, Wanchai Vach-shewadumrong, said the firm started to expand to SMEs this year as they have high potential growth market. The firm also provides local software solutions such as enterprise resource planning, infrastructure as a service and accounting systems via its e-marketplace.</p> <p><i>(Source: The Nation, 22 July 2017)</i></p>
<p>INDONESIA</p> <p>Modalku launches mobile app for lenders</p>	<p>Modalku, a peer-to-peer (P2P) lending platform in Indonesia, has announced the launch of its mobile app for alternative investment. The app offers a win-win relationship for both SME borrowers and lenders seeking alternative investment opportunities. In a diversified portfolio, P2P lending has proven to be an excellent investment alternative. Lenders can start from funding Rp1 million [US\$75] for each SME loan, earning monthly repayments and good risk-adjusted returns," said Co-founder and CEO of Modalku, Reynold Wijaya. Modalku's P2P lending business model connects SME borrowers with lenders through a digital marketplace. By financing SME loans, registered lenders gain an alternative investment with higher returns compared to term deposit and bonds. Modalku is the largest P2P lending platform in Indonesia, with loan disbursement totalling over Rp215 billion into 400 SME loans.</p> <p><i>(Source: Digital News Asia, 21 July 2017)</i></p>

FRUITFUL SEARCH ON THE ENTREPRENEURIAL TRAIL

AN entrepreneur's journey is often guided by a series of questions and seeking of answers. Daren Leong Wai Keong knew entrepreneurship was for him. "As someone who wants to change the world and is quite good in problem solving, I know that being an entrepreneur is the right path. But I hadn't found what business to be in yet," says the founder of MM French Cafe Sdn Bhd. Leong graduated with a degree in information technology but realised that having good skills in sales was vital to be an entrepreneur. He found the answer in the financial services industry as a personal financial consultant. Here, he learned to sell his services and pushed out products.

Not long after, his uncle, asked Leong to join him in his bite-sized snack and dessert foods manufacturing business. Leong observed the operations that took place and helped out with various parts of the business. "One day, I saw a F&B restaurant chain and wanted to ask the owner how he managed to build such a successful brand and whether there was a potential for collaboration," he explains. He reached out to the restaurant chain owner, but, alas, there was no reply. Leong met the owner years later and his long wait was rewarded. Not only did he share his "success recipe" with Leong, he also offered Leong a job as his personal assistant to learn the tricks of the trade.

An opportunity then opened for him to learn more about the food industry when he took a job in a Singapore-based restaurant chain. "I worked in the kitchen as a cook despite the fact that I had never been a cook in my life! I learnt how company's system could train inexperienced people to be a cook," he says. Leong decided that he was going to open a restaurant as he has already learned the ins and outs of the business over the years. Besides that, he also realised what it was that he wanted to address with his business – to provide food for the stomach and for the soul.



Leong didn't want to just feed his customers, he wants to also give them the right experience. Thus, Leong mustered enough courage to open his first restaurant in One Utama Shopping Centre, Petaling Jaya, in 2013. His experience in the industry helped the restaurant become profitable soon enough and MM French Cafe caught the interest of a department store operator who was looking at an opportunity to diversify into the F&B segment. The department store operator purchased the MM French Cafe brand in 2016 and Leong looked for a new business model that would fit into the acquisition plan instead of merely becoming a franchisee of his earlier business.

"We made a comeback with the Marco Creative Cuisine brand in March 2017 and we focused on affordable fine dining. We offer seven-course meals because when one is having a difficult day in the office, you don't want to crack your head trying to think of what to eat," he says. Marco Creative Cuisine serves about 100 to 150 customers a day. Entrepreneurship is a journey for Leong and he enjoys every part of it. For him, it is a continuous development of new menus and about surprising the customers.

(Source: The Star, 17 July 2017)

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